

The Tension between Democracy and Capitalism during the American Century

INTRODUCTION

The American Century's early years were marked by Woodrow Wilson's proclamation that the world must be made safe for democracy. At the close of the twentieth century, the need to spread American-style democracy throughout much of the world (and, in the view of many, the success of having done so during the 1980s and the 1990s), has supposedly shaped U.S. foreign policy and, as well, the way Americans perceive that world. Thus, it seems that the successes of the American Century and the U.S. determination to expand a democratic system are unusually one and the same. Indeed, it has even been argued that the spread of democracy is a most important theme and dynamic in the American Century's evolution.¹

The historical record, however, shows no such consistent theme or dynamic. The leading U.S. diplomat in Asia at the start of the American Century, Willard Straight, was closer to the truth when he observed that "Japan and Russia [make] money out of politics," while Americans make "politics out of money." Instead of spreading democracy abroad, most Progressive Era (1900–1933) officials thought many foreign peoples, especially in Latin America, Asia, and Africa, were incapable of developing and maintaining democratic systems, at least for the foreseeable future. Far from making the world safe for democracy, Woodrow Wilson and the U.S. Congress so compromised the principle during 1918–1920 that informed observers (and leading Wilsonians) such as Walter Lippmann developed a realist worldview to demonstrate why democratic systems were

1. Joshua Muravchik, *Exporting Democracy; Fulfilling America's Destiny* (Washington, 1991), esp. 1–18. A workable definition of democracy is given by Daniel Bell in *The Cultural Contradictions of Capitalism* (New York, 1996), 14: "Democracy is a socio-political system in which legitimacy lies in the consent of the governed, where the political arena is available to various contending groups, and where fundamental liberties are safeguarded." Fareed Zakaria's "The Rise of Illiberal Democracy," *Foreign Affairs* 76 (November–December 1997): 22–43, is especially valuable for pointing out how viable democracy rests on what he calls "constitutional liberalism." Without such "liberalism," which includes a tradition of the rule of law and protection of human rights, the processes of democracy – such as elections – can become meaningless and indeed dangerous. This is a distinction that many U.S. officials have in the past accepted and used to justify both American exceptionalism (that is, the Americans have such "constitutional liberalism" but others as yet do not) and the loose, if not cynical, use of democracy to justify certain foreign policies.

dangerous as either the originators or objectives of foreign policy. The realists who held sway over policymaking in the early Cold War considered the advancing of democracy to be of distinctly secondary interest as they built up political, military, and economic systems to contain and roll back communism.²

The turning point came in the 1970s and 1980s. Led by the realpolitik of Richard Nixon and Henry Kissinger and the economic needs of the Trilateral Commission, the belief spread that the excessively democratic counterculture of the 1960s was a major reason why the post-Vietnam American Century was stalling into decline. A much-discussed part of this turn was Jeane Kirkpatrick's argument that U.S. policy should work with authoritarian regimes because while they were not democratic, they, unlike totalitarian governments, shared American beliefs in open economic systems.

The Trilateral Commission's and Kirkpatrick's rationales were pivotal because they highlighted the importance of valuing access and protection for capital over the expansion of democracy. The most durable and productive key for unlocking the motivations of U.S. foreign policy since the 1890s has been Washington officials' belief that a global system based on the needs of private capital, including the protection of private property and open access to markets, could best protect the burgeoning American system and its values, including its own version of democracy at home.³

In the mid-1980s, an emphasis on democracy again claimed prominence in U.S. overseas policies. It marked the first time since Woodrow Wilson's presidency that democratic rhetoric gained such attention. In the hands of the Reagan administration and some of its allies, especially the quasi-governmental National Endowment for Democracy (NED), this rhetoric aimed at undermining Communist, especially Soviet (much less so Chinese), power. Thus, after a sixty-year hiatus, the argument for spreading democratic systems was again heard, and again, as with Wilson, the argument targeted the Soviet Union and its empire.⁴

The American push for expanding liberal democracy has thus been an on-and-mostly-off policy during the American Century. It has been mostly off because of racism, exceptionalism, a fear at times of results from truly democratic elections, a dislike if not hatred for the kind of participatory democracy spawned by the events of the 1960s, and, of particular importance, the consistent demonstration in actual policy that the expansion of capitalist systems is more

2. Straight to Knox, 12 February 1911, Willard Straight Papers, Cornell University, Ithaca, New York.

3. Two pioneering works that in rather different ways elaborate on this thesis are Martin Sklar, "The Open Door, Imperialism, and Post-Imperialism," unpublished, in author's possession; and Thomas J. McCormick, *America's Half-Century: United States Foreign Policy in the Cold War and After* (Baltimore, 1995).

4. Two quite different views of this process, and especially of the National Endowment for Democracy, are Muravchik, *Exporting Democracy*, esp. 204–26; and William I. Robinson, *Promoting Polyarchy: Globalization, U.S. Intervention, and Hegemony* (New York, 1996), which argues that the NED and the other Reagan approaches aimed at "low-intensity democracies" whose purposes were to give off the effect of democracy while actually retaining class inequalities and access for capital and trade.

important than the expansion of liberal democratic systems. As the president of the European Bank for Reconstruction and Development, Jacques Attali, phrased it in the mid-1990s, "The main mission of American diplomacy seems to be the 'export' of western values, including democracy – at least as long as doing so serves American interests."⁵

FROM THE 1890S THROUGH LUCE TO THE 1990S

When the first glimmerings of the American Century appeared in the 1890s to 1914 era, little was heard from U.S. officials about expanding democracy. President William McKinley seemed to be little concerned about teaching his new conquests, the Cubans and the Filipinos, how to build democratic societies. In any case, regardless of such possible concerns, he and his immediate successors failed miserably in both countries. One reason for the failure was a blatant racism that, for example, allowed McKinley's running mate in the 1900 election, war-hero Theodore Roosevelt, to argue that the treatment accorded Native Americans provided adequate precedent and justification for treating Cubans and Filipinos (and Puerto Ricans) in any way that suited U.S. interests. To ensure that Cuba respected those interests, McKinley and Roosevelt imposed the Platt Amendment that severely restricted self-government on the island but provided protection and encouragement for private capital. The growing gap between the Cubans' ability to govern themselves and the effects of that capital led to such polarization that President Franklin D. Roosevelt finally terminated the Platt Amendment in 1934. But it was too late. As Cuba divided between the very rich (which included many U.S. investors involved in the all-important sugar industry), and the poor, Cubans understandably, if not always accurately, blamed Washington for their problems. Given this past, if the 1959 Cuban Revolution had not been anti-American, it would not only have been surprising, it would not have been a revolution.⁶

U.S. policy in the Philippines focused, even more than in Cuba, on the need to carry out educational, political, and religious reforms so the society could become more like the American. The islands could thus serve the purpose for which the United States had acquired them in 1898–99: to serve as a stable base for the projection of U.S. power on the Asian mainland. The Philippines served exactly that purpose in mid-1900 when McKinley dispatched five thousand troops from Manila to intervene in Peking for the protection of U.S. citizens and property interests under siege by the violently anti-foreign Boxers. By 1907,

5. Jacques Attali, "The Crash of Western Civilization: The Limits of the Market and Democracy," *Foreign Policy* 107 (Summer 1997): 54.

6. Theodore Roosevelt, *The Letters of Theodore Roosevelt*, 8 vols, ed. Elting E. Morison et al. (Cambridge, MA, 1951–54), 2:1385, 5:1404. Emily Rosenberg identifies five features of U.S. "liberal-developmentalism" in overseas activities at the start of the American Century. They stress the importance of "private free enterprise" and "free or open access for trade and investment." None mentions democracy. Emily Rosenberg, *Spreading the American Dream: American Economic and Cultural Expansion, 1890–1945* (New York, 1982), 7.

however, Theodore Roosevelt – in one of the more revealing and significant reassessments in the American Century’s diplomacy – decided that given new developments, most notably the threat posed by Japan’s rising power, the Philippines now formed “our heel of Achilles.” But Roosevelt went further. He understood that U.S. efforts to transform Filipino society had resoundingly failed. The president concluded that Americans lacked the “character” to create the bases for democratic institutions in faraway, unfamiliar places. He came to realize that Progressive Era racism (which he exemplified), ironically helped prevent Americans from expanding their own political beliefs into their western Pacific empire. Roosevelt pulled the U.S. Navy’s Pacific base back from Manila to Hawaii. He instructed his successor, William Howard Taft, not to interfere from such a weak position in Asian affairs for the sake of an open door for American capital – advice Taft and his successors did not accept. Roosevelt preferred to work with Japan, rather than with China (or against Japan), so American capital could have some protection. By 1907–1910, Roosevelt was at least becoming consistent.⁷

It was a consistency Woodrow Wilson never grasped. Wilson better resembled Thomas Jefferson: his principles, not his practices, were best emulated. It became Wilson’s tragedy that he brought to the White House the practice of a Progressive Era racism, gut faith in an American exceptionalist democracy, a deep devotion to competitive capitalism, and the confidence that a more intelligent use of governmental (especially executive) powers could best realize the expansion of that democracy and capitalism – at the same time that the globe burst into world war and revolution.

In his first test in the foreign policy arena, Wilson, facing from his perspective a choice of evils in revolutionary China, recognized the monarchical regime of Yuan Shih-k’ai in the hope that Yuan would better protect U.S. interests than would his more radical rival, Sun Yat-sen. Wilson also believed he could better protect those interests, and work with Yuan, by going it alone in China rather than (as Roosevelt advised), working with Japan and the other foreign powers. The policy turned out to be a disaster. As war in Europe gave the Japanese a free hand, they made demands on China that Wilson could not moderate (although the British finally did to some extent). As Yuan’s regime was swept aside by growing revolution, and Japan cut deals with its European allies to take over Germany’s strategic holdings in China, Wilson had to deal with Tokyo from a position of weakness at the 1919 Paris Peace Conference. In his speech to Congress he had vowed to use U.S. power to “make the world safe for democracy.” But at Paris he subordinated democratic principles and self-determination so Japan could keep its newly gained strategic positions in China. The most the president could realize was a set of agreements in which Japan

7. James Chace and Caleb Carr, *America Invulnerable: The Quest for Absolute Security from 1812 to Star Wars* (New York, 1988), 138–40; John Milton Cooper, Jr., *The Warrior and the Priest: Woodrow Wilson and Theodore Roosevelt* (Cambridge, MA, 1983), 112.

promised to respect the open door for U.S. interests outside the Japanese holdings, and a new consortium arrangement with other foreign powers to promote U.S. capital investments in China.⁸

Wilson's failure to reconcile his democratic dogma with capitalist demands in China was minor compared with what awaited him in Europe. When the Russian Provisional Government replaced the tsar in March 1917, Americans could go to war with some belief that all the allies were presumably democracies. When the Provisional regime was pushed aside by V. I. Lenin and Leon Trotsky's Bolsheviks, however, Russia was no longer seen as a democracy and, much worse, threatened other European nations with revolution. It was this Leninist threat that Wilson tried to meet head-on in 1918 with his Fourteen Points speech. He outlined a liberal democratic, capitalist (open-door, freedom-of-the-seas) alternative to the Bolsheviks' revolutionary doctrine. But a danger lurked at the core of the president's liberal program: what if open elections brought Bolsheviks to power in central Europe? Or what if honoring the democratic wishes of particular ethnic groups (say, Germans in parts of Czechoslovakia or Poland), weakened the *cordon sanitaire* (as young adviser Walter Lippmann phrased it), constructed to contain the Bolsheviks to the east?⁹

The president, with agony, remorse, and full realization that he was again choosing from bad alternatives, made his choices. He went along with the European right wing, the "forces of the past," in one historian's words, and surrendered democratic self-government for the sake of security (and allied cooperation). When elections in Austria and elsewhere threatened to bring revolutionaries to power, he allowed his overseer of food supplies, Herbert Hoover, to threaten to shut off such help if the elections went the wrong way. The voters understood, some ethnic groups were placed under disliked governments, and many American liberals who took democratic practices seriously (especially since they believed such practices were the best hope for undercutting Lenin's appeal) were alienated. Perceived with some reason as having sold out to anti-democratic forces of the past in eastern Europe, central Europe, and China, Wilson was deserted by liberals for being too conservative and by many conservatives for trusting his new League of Nations to make everything right over time. The reaction went much further. A "Red Scare" of 1919 infected even the United States. Scapegoats, especially recent immigrants, were imprisoned or rounded up and sent back to the old country.¹⁰

Germany and Austria-Hungary lost World War I, but another loser during the war and immediately after was democracy. The acerbic, eloquent, anti-war

8. Thomas J. Knock, *To End All Wars: Woodrow Wilson and the Quest for a New World Order* (New York, 1992), 249–50; Harold Nicolson, *Peacemaking*, 1919 (London, 1939), 146.

9. Walter Lippmann, "The Political Scene," in *New Republic*, "Supplement," 22 March 1919.

10. Arno Mayer, *Politics and Diplomacy of Peacemaking: Containment and Counterrevolution at Versailles, 1918–1919* (New York, 1967), for the context and characterization; Herbert C. Hoover, *The Ordeal of Woodrow Wilson* (New York, 1958), esp. 134–41; Lloyd Gardner, *Safe for Democracy: The Anglo-American Response to Revolution, 1913–1923* (New York, 1984), 186–91, 258–62.

Progressive Randolph Bourne had prophesied much of this in 1917–18. If Wilson could not stop the divided forces for war between 1914 and 1917, Bourne asked, how could he ever hope to defeat the much stronger, more united, and victorious conservative forces at a peace conference? Another Progressive, Walter Lippmann, became similarly disillusioned after 1918. Lippmann did so less because of Wilson's actions than because he concluded that the failures of war and the peace conference were larger failures of the democratic peoples. These peoples had little interest in, and less aptitude for, the intricacies of a new diplomacy, Lippmann argued, but they nevertheless insisted on meddling in that policy, especially through their equally parochial representatives in Congress.¹¹

Out of Lippmann's and other work in the 1920s came a "realist" foreign policy school that while relatively small at the time, established principles on which the post-1945 realists in Washington rebuilt a war-devastated world and fought a Cold War. These principles included an emphasis on military force (an emphasis that did not gain much support in the interwar years), and on a monolithic decision-making process in which diplomatic experts (such as Lippmann or, later, George Kennan and Dean Acheson), were to be supreme and not beholden to the mushy, multiple voices of an unruly, inconsistent democracy. Ironically, American liberals who believed more strongly in democracy contributed inadvertently to Lippmann's thesis. Led by John Dewey, Horace Kallen, and Bourne, and inspired by William James's work in philosophy, these liberals stressed the growing presence and importance of cultural pluralism in the United States. As Alexis de Tocqueville had argued a century earlier, a feverishly pluralist democracy was the natural obstacle of every foreign policy official whose work demanded unity at home, not pluralism; and who had to be assured, along with those the official dealt with abroad, that the ever-stewing melting pot would retain a consistency and an even temperature so U.S. policies would be predictable over the long term.¹²

Between the perceived threats of Bolsheviks abroad and the dangers supposedly posed by a pluralistic American society at home, U.S. foreign policy officials did all they could to inoculate themselves against the germs of democracy. The New York Council on Foreign Relations, created in 1921–22 as a direct reaction to Wilson's failure to harness democracy properly during the war and after, was one such vaccination. A self-selected elite made up largely of corporate leaders, top government officials, and influential journalists (such as Lippmann) and academics, the council provided a quiet retreat for those of

11. Ronald Steel, "Revoluting Times," *Reviews in American History* 13 (December 1985): 588; David Green, *Shaping Political Consciousness: The Language of Politics in America from McKinley to Reagan* (Ithaca, 1987), 83.

12. Walter Lippmann, *Public Opinion* (New York, 1922), esp. parts 3–5; Ronald Steel, *Walter Lippmann and the American Century* (New York, 1981), provides the context; Louis Menand, "The Return of Pragmatism," *American Heritage* 48 (October 1997): esp. 56–60.

mostly similar minds to discuss and create foreign policy principles far from the maddening crowds on Capitol Hill.¹³

Political scientist Walter Dean Burnham argued much later that the election of 1896, won by William McKinley against Populist-Democrat William Jennings Bryan with overpowering financial support from the frightened business community, introduced a new political system that lasted down through much of the twentieth century. This system included the growing disenfranchisement of African Americans in the South, while a virtual one-party Democratic South and Republican Northeast and Midwest evolved. Because of these changes, Americans grew less interested in national politics, voter participation steadily declined, and, as Burnham emphasized, corporate business leaders and elite party officials increasingly ruled with fewer worries about an overactive democracy (as those leaders had to worry when more than 80 percent of qualified voters turned out in the elections of the 1870s and 1880s). The New York Council on Foreign Relations became one product of this post-1896 system, at once a reaction to Congress's repudiation of the League of Nations in 1919 and, as well, a determination to strengthen those currents Burnham identified as radiating out of the 1896 political transformation.¹⁴

Another product of this post-1896 system and the post-1920 attempt to find insulation against the demands of a pluralistic democracy was an enhanced executive branch. Charles Evans Hughes, Frank B. Kellogg, and Henry Stimson followed in the post-1896 tradition of strong executive power in foreign affairs (a power much less seen between 1867 and 1896). With help from other powerful members of the executive, such as Herbert Hoover, they kept diplomatic initiatives in their own hands. When Congress and the public tried to interfere (as in the effort to outlaw war during 1927–28), the elite officials shrewdly blunted, then detoured the interference onto paths that followed their own policies.

Above all, U.S. officials kept democracy at bay simply by defining foreign policy less in political terms (which could attract attention and debate from Congress and the public), than in terms of private economic relationships. Tough executive leaders stood on the bridge of the ship-of-state in Washington, but the vessel's engine room was New York City's financial district. Arrangements between private bankers in New York, especially the diplomatically talented Thomas Lamont of the powerful J. P. Morgan banking house, and their counterparts in Tokyo, London, Paris, and Berlin provided the fuel that propelled the diplomacy of the 1920s. That fuel was especially the dollar, for the United States emerged from the world war as the globe's greatest economic center. By manipulating dollars, New York private and central bankers, often but not always working with Washington officials, moved to rebuild Europe on

13. Robert D. Schulzinger, *The Wise Men of Foreign Affairs: The History of the Council on Foreign Relations* (New York, 1984), is superb on the origins and results of the council.

14. Walter Dean Burnham, "The Changing Shape of the American Political Universe," in Walter Dean Burnham, *The Current Crisis in American Politics* (New York, 1982).

American terms, control Japan's development of the Asian mainland, and spread the blessings and principles of U.S.-style capitalism. These financial arrangements seldom were scrutinized by debates in Congress or other public places.¹⁵

Having little interest in expanding democratic influences on foreign policy debates at home, it was not surprising that U.S. officials demonstrated even less interest in expanding democratic principles abroad. In certain pivotal areas, of course, hopes for democracy had apparently been driven out by the realities of revolution. Mexico, China, and the Soviet Union provided major examples. As did Nicaragua, which became an especially instructive case because U.S. officials had controlled it through military occupation since 1912. In 1925 the American troops finally left, but the political situation – apparently not yet properly fixed for self-government by thirteen years of U.S. rule – quickly deteriorated. The marines reentered, only to be met by the forces of Nicaraguan revolutionary leader Augusto Sandino. Washington officials believed that Sandino had been radicalized by a stay in Mexico. In truth, he seemed to care less about radical change than about simply getting U.S. troops out of his country. A bloody seven-year war ensued until, in 1933, the foreign troops withdrew and left the country to a U.S.-trained Nicaraguan police force led by Anastasio Somoza. When Sandino offered to negotiate a political settlement, Somoza executed him, then set up a dictatorship enforced by his U.S.-trained troops. Few North Americans cared.¹⁶

After all, by 1933 they had major problems at home. The dollar, poised to perform miracles in the 1920s, had self-destructed between 1929 and 1931. With the falling dollar fell as well the power of the failed private bankers, sometimes from window ledges of tall buildings. The bankers had paid too little attention to warnings from Washington officials about bad investments abroad and overheated speculation in the stock market at home, although, to be fair, many of those warnings had been little more than whispers.

After 1933, and especially after 1945, U.S. officials derived particular lessons from this 1920 to 1933 experience: the international financial arrangements that necessarily undergirded political and other types of diplomacy (as cultural), were far too important to leave to private business people who were captives of the short-term bottom line and, consequently, made politically myopic by their financial interests. An example of such myopia occurred in Germany, where U.S. business continued to invest money in the 1920s far longer than the economy could absorb it, then necessarily pulled back in the early 1930s when the economy needed an infusion of dollars. In some instances, U.S. business leaders then insisted on working with the Nazi-controlled economy in the later

15. Robert Freeman Smith, "Thomas W. Lamont," in *Behind the Throne: Servants of Power to Imperial Presidents, 1898–1968*, ed. Thomas McCormick and Walter LaFeber (Madison, WI, 1993); Frank Costigliola, *Awkward Dominion: American Political, Economic, and Cultural Relations with Europe, 1919–1933* (Ithaca, 1985).

16. Neill Macauley, *The Sandino Affair* (Chicago, 1967), esp. 211–12.

1930s, far past the time that prudence recommended against such a course. After World War II, the role the bankers played in the 1920s was to be filled by strong government-created and -controlled institutions, such as the Bretton Woods arrangements (including the World Bank and International Monetary Fund), and an open commerce based on reciprocal trade agreement legislation of 1934 and after. Democratic controls thus began to creep back in, in some measure, but they did not creep too far. The World Bank and IMF depended heavily on support from the private sector, and the trade legislation was passed by Congress to cover long periods of time. There were few regular debates on Capitol Hill about these subjects. The international counterparts of reciprocal trade measures, such as the post-1947 World Trade Organization, were, after they got up and running, controlled by bureaucratic elites. In other words, the lessons learned from the 1920s did not include the conclusion that the inclusion of more democracy was necessary for the building of an effective international economic system.

Many of those who did argue after 1945 for more democratic debates over foreign policy faced the unenviable task of trying to defend the Neutrality Acts. These laws, the most important of which passed Congress between 1935 and 1937, attempted to keep the country from becoming economically, and then militarily, involved with either side of any war in Europe and, to a lesser extent, Asia. In the end (that is, with the Japanese attack on Pearl Harbor in December 1941), the Neutrality Acts failed. Many of their congressional and public supporters were reviled, especially for their supposed naiveté in believing the expanding U.S. overseas economic and security systems could somehow be suited with a war-proof vest and left untouched by the distending evils of Nazism and Japanese militarism.

Such blame is incomplete. While the New Deal did much to preserve democracy domestically, it did too little to help democracy play a constructive role in foreign policy. The public leadership of President Franklin D. Roosevelt and Secretary of State Cordell Hull until 1941 was weak, contradictory, and at times (as during the Spanish Civil War's outbreak in 1936, the Brussels Conference of 1937 called to deal with Japan's invasion of China, and the Munich crisis of 1938) disastrous. During 1940–41, Roosevelt lied to Americans as he tried to rectify the earlier failures of his leadership and take the country into war. The anti-Semitism of important State Department policymakers and the Pollyanna-like simplemindedness of others prevented Americans from learning about the extent of Nazi evil. Ignorance about Asian peoples and the belief in the early 1930s that Japan should be let loose to destroy Bolshevik and other revolutionary dangers in the Far East led to the appeasement of Japan. It was not the finest moment for the leaders of American democracy.¹⁷

17. Richard W. Steele, "The Great Debate: Roosevelt, the Media, and the Coming of the War, 1940–1941," *Journal of American History* 71 (June 1984): esp. 69; David S. Wyman, *The Abandonment of the Jews* (New York, 1984), x–xi, 180–98, 311–47.

As the leaders of that democracy failed after 1919, so did many of them fail to care about democracy abroad, especially during the 1930s. The Good Neighbor policy toward Latin America had little rhetoric about the importance of democracy, and the rhetoric that did exist disappeared as security concerns became uppermost by the late 1930s. A particularly stunning example of how much the concern about making the world safe for democracy had dissipated came when Americans and their leaders refused to respond as the Nazis destroyed the Czechoslovak democracy in 1938–39, then laid siege to France and Great Britain during 1939–40. During 1940–41, Roosevelt tried to portray the British as fellow democrats, and he received powerful help from Edward R. Murrow's dramatic radio broadcasts from London as German bombs fell. But neither the president nor anyone else could figure out how to use Americans' supposed allegiance to democracy to persuade them to help defend democracy elsewhere.

The reason for that failure is not difficult to see in hindsight: since becoming a global power in 1898–1900, Americans and their leaders had shown little interest in expanding democracy abroad except possibly in 1917–1919 – and that sour experience only confirmed their earlier judgment. Americans saw their system as perhaps too exceptional for easy export; those who had naively tried to take it abroad, such as missionaries in China or Woodrow Wilson in Mexico, had come to bitter ends. U.S. officials and the public meanwhile assumed that the political virtues as well as profits of their capitalism could be enjoyed without having to lose any significant political freedom of action and, in the interwar years, without undesirable expenses for creating military power.

After December 1941, the rhetoric of freedom (such as Roosevelt's "Four Freedoms") and democracy picked up markedly. But it was also compromised in at least two respects: the most powerful American ally, the Soviet Union, was not a democracy and not interested in the expansion of democratic processes; and Roosevelt had far too vivid memories of serving as assistant secretary of the navy under Woodrow Wilson and watching close-up the tragic presidential effort to make the world safe for democracy. Roosevelt planned to make the world safe for American power. If that effort translated into democracy, the president would happily accept it. But in such areas as French Indochina, Japan, Germany, and even France itself, he believed democracy would require considerable time for any viable growth. Roosevelt's suggested division of postwar responsibilities (China with U.S. help to be the policeman in Asia, Great Britain and the Soviet Union to walk the beat in Europe, and the United States to take care of the Western Hemisphere) did not suggest that he was overly concerned about creating democratic systems in large portions of the globe.¹⁸

18. Fraser Harbutt, "Churchill, Hopkins, and the 'Other' Americans," *International History Review* 8 (May 1986): 261; for the FDR view of postwar alignment and the context, Walter LaFeber, "Roosevelt, Churchill, and Indochina, 1942–1945," *American Historical Review* 80 (December 1975): 1277–95, outlines FDR's views of the policemen.

The central problem, however, was how to handle postwar Germany and Japan. Within that problem lay a contradiction that plagued the American Century in the late 1940s. The German and Japanese economies had to be restored quickly because they had been the industrial hubs of Europe and Asia respectively. Without their restoration, U.S. officials assumed, those regions would collapse economically and then probably turn leftward politically. Then American capitalism – which, as Henry Luce preached in his 1941 editorials, had no choice but to become an international system – would collapse. Here was the contradiction: to rebuild Germany and Japan quickly required the services of experts and politicians who had worked in Berlin and Tokyo during the 1930s.

For a moment in late 1944, Roosevelt was prepared to strip the German economy and purge totally these agents and accomplices of the 1930s. In weeks, however, different, if not cooler, views prevailed. These were conveyed by Hull and Secretary of War Henry Stimson, who warned that disemboweling Germany's economy might make Americans and British feel better, but in the long run it would create a highly dangerous vacuum at Europe's center. Roosevelt backed down, and after his death in April 1945, U.S. policy moved to rebuild the Western occupation zones while purging the worst of the Nazi officials. In some ways, Japan posed an even greater challenge. In Europe, a quickly rebuilt British or French industrial complex might possibly have partially replaced German economic power. In Asia, however, no alternative to Japan was in sight, especially after Chiang Kai-shek's China noticeably turned more fascistic, anti-American, and chaotic after late 1943. During the first eighteen months of the Japanese occupation, General Douglas MacArthur carried out a purge of the nation's militarists, while building a democratic base by allowing unions to gain strength and granting historic rights to women. But Japan's economy floundered.¹⁹

In 1947, the Truman administration, through special emissary George Kennan, ordered MacArthur to reverse course. As the United States began fully to engage the Soviet Union in Cold War, it was imperative to rebuild a capitalist Japan, Southeast Asia, and Western Europe rapidly. The purges in Japan stopped, former wartime administrators regained power, unions were attacked (especially when suspected of having Communist members), and, overall MacArthur's political drive was sacrificed to quick economic recovery. The bases for Japan's politically insensitive bureaucratic controls, political party corruption, a virtual one-party political system, and the ready sacrifice of democratic processes and protection to the need for a rapidly growing export economy, as well as the determination after 1947 that Southeast Asia must remain open for Japanese exploitation of markets and raw materials—all of

19. Howard B. Schonberger, *Aftermath of War: Americans and the Remaking of Japan, 1945–1952* (Kent, OH, 1989), is pioneering on the reversal of U.S. policy.

these basic policies were laid down during the U.S. occupation between 1947 and 1951.²⁰

Washington's dilemma of having to choose between an emphasis on rebuilding democracy or an emphasis on multilateral capitalism could be seen in its micro version in Japan. The larger, encompassing version was the global strategy for containing and, if possible, rolling back the Soviet empire. Harry Truman revealed how U.S. leaders would deal with that dilemma when he made the single most important public announcement of his foreign policy plans on 12 March 1947. The Truman Doctrine, as the speech came to be known, committed the United States "to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures." The president did not explicitly identify the Soviet Union as the villain. He did not have to, especially after he declared there existed only two "ways of life" from which Americans should choose: "the will of the majority" and "free institutions, representative government, free elections. . . , freedom from political oppression," or "the will of a minority forcibly imposed upon the majority," with that minority relying "upon terror and oppression . . . , fixed elections, and the suppression of individual freedoms." His formulation of the alternatives gave Americans little choice but to choose the first, even if it meant spending billions of tax dollars – even if it meant confronting communism wherever U.S. officials believed it appeared.²¹

The president thus accomplished what no other American leader has been able to do without an all-out declaration of war: forge out of a parochial, diverse American society a long-term (in this case, forty-four years) consensus to support the executive branch's foreign policies. Truman accomplished this by emphasizing the need to support democracies that were under pressure from minorities who fixed elections and suppressed "individual freedoms."

In reality, however, whether a nation was ruled by "the will of the majority" and enjoyed "freedom from political oppression" turned out to be much less important to U.S. officials (and the public) than whether that nation supported Washington in conflicts with the Soviets – and whether that nation integrated its economy into the postwar multilateral capitalist trading system that U.S. leaders so carefully and painfully constructed. Truman revealed this priority at the same moment he demanded that Americans support "free peoples." The president's specific task in the speech was to create consensus for Congress to send \$400 million to Greece and Turkey, both of which were facing Communist pressures. His problem was that neither nation was known in the 1940s for "free institutions," "free elections," or "freedom from political oppression." British occupation authorities had fixed elections so that disreputable

20. Schonberger, *Aftermath of War*; and William S. Borden, *The Pacific Alliance: United States Foreign Economic Policy and Japanese Trade Recovery, 1947–1955* (Madison, WI, 1984), link the reversal and the role of Japan in Southeast Asia.

21. *Public Papers of the Presidents . . . Harry S. Truman . . . 1947* (Washington, 1963), 176–80.

right-wing monarchial factions could come to power in Greece between 1944 and 1947. Truman granted that “the Government of Greece is not perfect,” but argued that it had come to power “in an election” (he omitted the circumstances of the balloting). Turkey also presented problems, not least because during World War I it supported Germany and during World War II – caught between demands from Germany and the Soviet Union – it remained neutral until early 1945, when Ankara finally declared war on the Nazis. Truman wisely chose not to discuss this past.

The president’s dilemma reappeared often over the next four decades of Cold War. An easier choice did appear in 1947–48 when the Truman administration initiated the Marshall Plan to rebuild Western Europe’s economies. These nations were overwhelmingly democratic, although, again, Greece and Turkey were debatable. There could be no debate about the \$50 million sent to the Portuguese dictatorship of Antonio de Oliveira Salazar, but Salazar had been helpful during the war (although neutral) and was certainly anti-Communist. Most important, Portugal occupied a highly strategic location. Nor could there be debate about the Yugoslav authoritarian rule of Marshal Tito, which received a special Marshall Plan grant of \$61 million. Tito’s new hatred for the Soviets after early 1948 was sufficient qualification.²²

The same year that Truman built a foreign policy consensus around support of governments placed in power by “free elections,” he signed into existence the Central Intelligence Agency. The CIA’s work had anti-democratic consequences abroad and at home. Its first known covert activity aimed to ensure that the large Italian Communist Party would not win national elections in 1948. The Communists did lose; the CIA claimed it had proven the value of secretly helping to fix another nation’s political processes. In reality, the Communists probably lost for reasons having little to do with the CIA. Most Italians were anti-Communist and learned from extensive propaganda that badly needed Marshall fund money might not flow to a Communist government in Rome. But the CIA successfully took credit. As one Agency official later bragged, “In an election in such-and-such a country the KGB backs a candidate, the CIA backs a candidate, and the CIA candidate wins.” Many Americans who valued democracy did not measure themselves by KGB standards.²³

The CIA’s better-known successes occurred in the 1950s when President Dwight D. Eisenhower, who as a military officer had long been a master of spy operations, provided guidance, and the domestic anti-Communist consensus provided leeway. In 1953, a CIA-directed operation helped overthrow the government of Prime Minister Mohammad Mossaddeq, a populist-type politician,

22. Michael J. Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947–1952* (Cambridge, England, 1987), is instructive for the absence of officials’ discussions about political democracy and the emphasis on economic essentials, for example, 119, 169; Imanuel Wexler, “Marshall Plan,” in *Encyclopedia of U.S. Foreign Relations*, 4 vols., ed. Bruce Jentleson and Thomas G. Paterson (New York, 1997), 3:113–17.

23. Rhodri Jeffreys-Jones, *The CIA and American Democracy* (New Haven, 1989), esp. 50–52.

so the rule of Shah Mohammed Reza Pahlavi could be restored. Mossaddeq's sin was demanding more money for Iran from the Anglo-Iranian Oil Company, which had long been paying more in taxes to the British government than in shared profits to the Iranians whose oil was being exploited. The British condemnation of Mossaddeq had not been sufficient for the Truman administration; it refused to threaten the Iranians. Eisenhower had different views. After the CIA returned the shah to power, the young ruler agreeably renegotiated his country's oil arrangements so that for the first time U.S. companies were cut in for 40 percent of the production. Enjoying strong American protection, the shah remained in power for twenty-five years until he was overthrown by a revolution that turned out to be anti-American as well as anti-shah.²⁴

In 1954, the CIA overthrew the elected government of Guatemala's President Jacobo Arbenz. Eisenhower had concluded that Arbenz was coming under Communist and Soviet influence. The primary evidence for such a belief was Arbenz's demand that the American-owned United Fruit Company give up mostly unused land to needy peasants. Washington officials viewed the demand as a dangerous precedent for U.S. investors and thus to American security. The reality about Guatemalan politics and economic needs was considerably more complex and, in any case, Communists were a long way from being able to seize power. But the outcome was clear: Arbenz's reform-minded government was replaced by a military dictatorship in 1954. Over the next forty years the military built the worst human-rights record in the Western Hemisphere.²⁵

President John F. Kennedy's Alliance for Progress tried a different approach to Latin America after 1961. The alliance pledged to devote \$100 billion to create conditions so Latin America could develop both democratic processes and new middle classes so the processes would work properly. Kennedy's approach was shaped not only by his concern for Latin American democracy, but more immediately by his determination that no other revolution like Fidel Castro's would succeed. Two years before, Castro had overthrown the U.S.-supported Cuban dictatorship.

Planned as a ten-year program, the alliance's plans lay in shambles within four. Force-fed capitalism, U.S. officials discovered, did not work without prior democratic reforms. Indeed, such capitalist infusion undercut the Alliance's objectives: aid money and foreign investments enriched the elites and their military allies who controlled many Latin American nations. As the rich grew richer and the poor poorer, and as reformers grew more radical in demanding economic and political justice, a half-dozen revolutions and military coups erupted.²⁶

24. Mark Hamilton Lytle, *The Origins of the Iranian-American Alliance, 1941-1953* (New York, 1987), esp. 203-18.

25. Richard H. Immerman, *The CIA in Guatemala: The Foreign Policy of Intervention* (Austin, 1982), esp. 190-201.

26. *Public Papers of the Presidents . . . John F. Kennedy . . . 1961* (Washington, 1962), 175; Arthur Schlesinger, Jr., "The Alliance for Progress," in *Latin America The Search for a New International Role*,

Kennedy unsuccessfully tried to discourage some of the military takeovers. His successor, Lyndon B. Johnson, was more direct. In 1964, the Brazilian military overthrew an elected government whose economic policies were unacceptable to Washington and to Brazil's military. The United States quietly encouraged the generals who planned to take power. The new regime imposed military rule on Brazil for the next twenty years. During those two decades, the United States was the regime's best trading partner, while Brazil attracted more U.S. investment than any other Latin American country. In 1965, President Johnson, with Latin American support led by the Brazilian generals, landed troops in the Dominican Republic to prevent, as Johnson saw it, a possible Communist takeover. Such a danger was actually highly remote. The Johnson administration's manipulation of the facts (such as wildly overestimating the number of Communists on the scene, an error quickly and easily discovered by American journalists), eroded the president's credibility, especially among congressional leaders such as Senator J. William Fulbright (D-AR). The invasion had been preceded by well-founded newspaper stories that Johnson and his top advisers cared less about the faltering (if not increasingly dangerous) alliance, and more about Latin American stability – regardless of whether or not military rulers imposed such stability – that would be attractive to private investors.²⁷

American rhetoric about promoting democracy in the good neighbor of Latin America proved to be only rhetoric. For a quarter-century, with few exceptions, any quest for democracy in the region was distinctly secondary to the U.S. quest for private economic opportunity and public support for military-dominated regimes that would maintain order. These priorities notably appeared in Richard Nixon's policies toward Chile between 1970 and 1973. In a landmark speech at Kansas City in 1971, President Nixon predicted that the future of world power would be predicated on economic (not political-democratic) power: in the coming decades and the new century, "economic power" would "be the key to other kinds of power." If Americans hoped to continue their century, he warned, they would have to wage a disciplined economic war against the other four "great economic superpowers," two of whom (the Soviet Union and China) were not democracies. (The other two superpowers, he said, were Japan and Western Europe.)²⁸

To maintain a cooperative Western Hemisphere, Nixon and his national security adviser, Henry Kissinger, ruthlessly undermined the elected Chilean government of Salvador Allende. They helped destroy Allende in part because U.S. corporations, whose properties he moved to nationalize, demanded they do so, but in larger part because Nixon and Kissinger would not tolerate what

ed. R. C. Hellman and H. J. Rosenblum (New York, 1975), esp. 74–75, but entire essay for why the Alliance failed.

27. Phyllis Parker, *Brazil and the Quiet Intervention, 1964* (Austin, 1979), 58–81, 92–103.

28. *Public Papers of the Presidents . . . Richard Nixon . . . 1971* (Washington, 1972), 806–12 for Kansas City speech; *New York Times*, 6 March 1975.

they believed to be a democratically elected version of Fidel Castro. Allende died as he was overthrown by the military. When the U.S. ambassador asked the generals to stop torturing Allende's followers and to observe human rights, Kissinger ordered the ambassador "to cut out the political science lectures."²⁹

Nixon and Kissinger were well positioned ideologically to cut U.S. losses in Vietnam and to end the nation's longest and most tragic war. No serious observer believed that the United States had entered that conflict to make Vietnam safe for democracy. When the story began in 1945, Franklin D. Roosevelt subordinated his anti-colonial principles to allow French (and British) troops to reoccupy France's Southeast Asian colonies precisely because he believed the Vietnamese, Laotians, and Cambodians would not be ready for generations to govern themselves. When the first major U.S. military commitment occurred in 1949–50, it resulted from the Truman administration's determination to keep Southeast Asia open for Japanese economic exploitation and also to save the embattled French position so Paris officials would be politically able to join NATO. After Ho Chi Minh's forces drove out the French in 1954, the United States brought in Ngo Dinh Diem to save South Vietnam. Diem was a Roman Catholic who ruled over a country that was 90 percent Buddhist. By 1963, as Diem's floundering rule came under fire from Buddhists, U.S. Ambassador Henry Cabot Lodge admitted that Diem and his powerful brother "are essentially a medieval, Oriental despotism of the classic family type." That year, Lodge and the Kennedy administration were deeply involved in the South Vietnamese military coup that overthrew and executed Diem and his brother. Succeeding governments were run by military officers whose only legitimacy were fixed elections and hundreds of thousands of U.S. troops.³⁰

In 1967–68, Washington officials were concerned not about making South Vietnam safe for democracy, but about somehow ending the war quickly to protect the U.S. democratic system itself. As antiwar protesters filled Washington's streets, and, more ominously, increasingly frustrated Main Street and Wall Street Americans who demanded an end to the conflict either through withdrawal or, as many wanted, all-out military victory, U.S. officials understood that their credibility both at home and abroad was in grave danger. They concluded that many more troops could not be spared for Vietnam because the soldiers were required to maintain order at home. President Lyndon Johnson was warned by a close adviser that continued losses could lead to "national self-doubt and timidity" that could spawn "real danger from the demagogue." When Nixon and Kissinger finally began pulling out U.S. troops while publicly hoping that somehow South Vietnam could fill the growing void, they more realistically hoped for a "decent interval" between the time the last Americans

29. Walter Isaacson, *Kissinger, A Biography* (New York, 1992), 311–12; Seymour Hersh, *The Price of Power: Kissinger in the Nixon White House* (New York, 1983), 260, 267–69.

30. Lloyd Gardner, *Pay Any Price: Lyndon Johnson and the Wars for Vietnam* (Chicago, 1995), 444–45 on LBJ's policies; LaFeber, "Roosevelt, Churchill, and Indochina," on FDR's anti-colonial policies and his reversal in 1945.

left and South Vietnam collapsed. Preferably the interval would end after Nixon had left the presidency and he was safe from a feared political backlash at home and the shattering of U.S. credibility abroad.³¹

Neither happened when South Vietnam fell to the Communists in 1975. Because of, not despite, the rampaging debates of 1964 and 1975, American democracy was in better shape than Johnson's advisers, Nixon, and Kissinger (or later critics of the 1960s) believed. The theme of those protests, especially after Martin Luther King and the growing civil rights movement joined them in 1966–1968, was that Americans had little business going abroad to search out societies to save when their own society needed immediate and expensive attention. American democratic processes notably worked when Nixon had to be the first president to resign from office. He ostensibly left because he was caught committing the criminal act of trying to cover up the illegal burglary of Democratic party offices in Washington during mid-1972. Nixon's crime, however, was not the single coverup, but a range of actions that demeaned the presidency and corrupted democratic processes, including placing phone taps on reporters, challenging Congress's constitutional right to spend monies, setting up covert "plumbers" units to discover leaks about the president's plans to act against political opponents, and making secret commitments to defend South Vietnam with U.S. bombing (and without congressional consultation) after the 1973 peace was signed. Nixon argued that since 1945 U.S. presidents had held the power to commit such acts for the defense of the nation's security in the Cold War.

By the 1970s, both American democracy and capitalism were caught in these crosscurrents. The props of the American Century seemed to buckle. The American Century had reached a turning point as it tried to deal with the humiliation of Vietnam; massive protests on American streets; the rise of fierce competition from Europe and Japan as an inflation-plagued U.S. economy suffered relative decline; a polarizing Latin America; and a once imperial, now disgraced, presidency.

It was nothing less than *A Crisis of Democracy*, to use the title of a widely noted book from the Trilateral Commission. This group, made up of elite business, governmental, and academic figures from Western Europe, Japan, and the United States, had been formed in 1972–73 so private discussions could be held to discuss the growing dangers to Western- and Japanese-style capitalism. In 1975, the commission's analysts argued that the West, and especially the United States, suffered from an "excess of democracy." The "democratic surge of the 1960s" was condemned for having become so democratic that it was nearly out of hand: "In the United States," one author, Samuel P. Huntington of Harvard, feared, "the strength of democracy poses a problem for the governability of democracy in a way which is not the case elsewhere." The problem, in other

31. Isaacson, *Kissinger*, 313.

words, was not the series of policies since 1945 that had too often been anti-democratic overseas and at home – and had finally climaxed with the disaster in Vietnam and the first resignation of an American president – but the resurgence of democracy that had begun, if only temporarily, to curb these Cold War foreign policies and presidencies.³²

Presidents Jimmy Carter and Ronald Reagan tried to navigate this turn in the American Century differently. Carter sought to restore Americans' confidence in their overseas policies by stressing the importance of human rights in foreign affairs. He played down the overriding influence of the Cold War against the Soviet Union and played up the importance of helping newly emerging nations. Carter stressed covert action and military power less, and mediated diplomatic settlements more. He achieved historic breakthroughs in helping to broker a peace agreement between Israel and Egypt, and working out the long-sought settlement that returned the Panama Canal area to Panama. In the end, however, Carter failed. His human rights policies were not well thought through and encountered resistance when applied to such nations as Iran, a pivotal U.S. security outpost since 1953. Carter's policies were blamed for helping to destabilize the shah's regime and also for upheavals in Central America (where the Somoza dictatorship in Nicaragua was toppled by Sandinista revolutionaries). After the Red Army invaded Afghanistan to prop up a Marxist regime in late 1979, Carter launched a new set of Cold War policies, including massive military spending increases. At home, the economy and Carter's popularity sank in tandem as the Iranian upheaval disrupted oil supplies then set off an inflationary spiral that drove interest rates to historic high levels.

After defeating Carter in the 1980 election, Ronald Reagan vowed to follow a different agenda. He moved to save the endangered American Century by rallying the nation around an anti-Communist crusade abroad. This approach required reinvigorating confidence in governmental power and acts – that is, it meant reinvigorating the Truman Doctrine. There was irony here, for while expanded government powers were necessary to fight the new Cold War, Reagan gained popularity by promising to fight big government. In reality, he was condemning the 1960s and Lyndon Johnson's Great Society that had pumped life into American democracy by passing unprecedented laws to protect civil rights, the elderly, the poor, and the nation's educational and cultural systems. By its nature, however, the Great Society brought new forces into the political arena that by their nature produced more chaotic politics, economic demands, and a focus on domestic problems that required governmental attention. Reagan rejected the democratic demands of the Great Society programs in order to fight, as he saw it, for the defeat of communism abroad.

Again – as with Wilson's dilemmas in 1917–1920, the advent of McCarthyism and the CIA activities in the 1950s, and the realpolitik of Nixon in the 1970s –

32. Michel Crozier, Samuel P. Huntington, Joji Watanuki, *The Crisis of Democracy: Report on the Governability of Democracies to the Trilateral Commission* (New York, 1975), esp. 3–9, 59–115.

attempts to expand the American Century abroad had inevitable consequences for the American Century's democratic principles at home. And again in the choice between democracy and capitalism abroad, capitalism won – until it was discovered how expanding capitalism could be rationalized by advocating the expansion of democracy.

One insight into the Reagan administration's approach could be found in Jeane Kirkpatrick's 1979 essay "Dictatorships and Double Standards," which the former Hollywood actor and California governor read during his 1980 presidential campaign. He was so taken with Kirkpatrick's thesis that he appointed her ambassador to the United Nations. Her ideas were appealing because they were simple and played directly to Reagan's own beliefs. They especially provided a tool to attack Jimmy Carter's human rights policies. Kirkpatrick argued that in order to fight "totalitarian" regimes, Americans were justified in supporting "authoritarian" governments. Totalitarians included Hitler and especially Stalin and other Communist dictators. Their systems were evil because they controlled every part of society, especially the economy, which was closed to private enterprise and foreign access. Authoritarians included Latin American dictators and the shah of Iran. They violently oppressed their people and presided over corrupt, undemocratic regimes, but Kirkpatrick preferred them because they sought to maintain "traditional" societies that could evolve and – most important – kept their economies more accessible so outsiders could enjoy opportunities for exploiting markets and raw materials.³³

Kirkpatrick's theory was deeply flawed. Authoritarians such as Somoza in Nicaragua (or the tsar in Russia during 1917) had so ransacked their countries that the people had rebelled to create revolutionary regimes hated by Kirkpatrick and Reagan. This exploitation had been furthered, moreover, by foreign investors who, by taking advantage of the authoritarians' political cronyism and more open society, transferred wealth abroad and made revolution more likely at home. Of special importance, her theory allowed Reagan to stand aside while the authoritarians smashed human rights and corrupted democratic processes.

By the late 1980s, Kirkpatrick's theory collapsed when the totalitarian Communist systems, which she argued could not change for the better, evolved with little bloodshed into governments (many even elected) that then broke up the seventy-year-old Soviet empire. The undoing of her theory, however, came too late to dissuade the Reagan administration from supporting authoritarians and opposing more democratic forces. In Central America the president waged relentless overt and secret wars against nationalist, often Marxist, groups that aimed to redistribute more equitably their nations' wealth and to limit the military-backed political elites in Nicaragua, El Salvador, and Guatemala. When one of the world's most democratic nations, Costa Rica, opposed

33. Jeane J. Kirkpatrick, *Dictatorships and Double Standards: Rationalism and Reason in Politics* (New York, 1982), esp. 2–52.

Reagan's military approach, the United States moved vigorously to belittle and block Costa Rica's efforts. In the Philippines, the president supported the highly corrupt dictator, Ferdinand Marcos, until nearly the bitter end in 1986 when more astute U.S. officials convinced Reagan that Marcos was both a lost and a highly dangerous cause. In South Africa, the Reagan administration supported the brutal apartheid policy of the minority all-white government that suppressed the majority black population. It was congressional action during 1985 to 1987, not presidential, that began to pressure U.S. economic and political supporters of apartheid to pull back.³⁴

Particularly after 1982, Reagan and his advisers increasingly emphasized the importance of advancing democratic principles. They focused, however, on Communist and Marxist regimes, not on the non-democratic governments, for example, in Central America, the Philippines, Indonesia, or South Africa. The purpose of emphasizing democracy was to fight the Cold War with different weapons. The Soviet empire did collapse between 1989 and 1991. The role played in this collapse by the Reagan administration will long be debated. A strong argument can be made that the Soviets disappeared much less because of the American rhetoric and military buildup than because of the Communist system's inability to adjust and exploit the revolution in information technology – computers, copiers, faxes, earth satellites, cable – that transformed the globe in the 1970s and after. Western-style capitalism not only adjusted to these changes but rapidly grew richer and more powerful from them. An international capitalist system, rather than nation-bound democratic processes or military forces, played the major part in winning the Cold War at the end of the first American Century.³⁵

The other major Communist power, China, drew appropriate conclusions: the Soviet system badly lagged in the 1970s and collapsed in the 1980s because Moscow officials waited too long to make economic adjustments, then tried to catch up by reforming political institutions that could not withstand both the economic and the political demands. After the late 1970s, China opened its economy to the new technologies and the foreign capital that best knew how to develop and exploit them. Political opening, however, was unacceptable. When dissent turned into mass rallies during the spring of 1989, Chinese officials ruthlessly cracked down. The high number of killed and imprisoned might never be known. President George Bush condemned the bloody suppression and cut back U.S. programs in China. Within months, however, Bush dispatched top aides to reopen exchanges and relations. The 1.5 billion Chinese offered

34. James Chace, "The End of the Affair?" *The New York Review of Books*, 8 October 1987; Julia Preston, "Oscar Arias," *Washington Post*, 30 October 1987; Kenneth A. Rodman, "Think Globally, Punish Locally": Nonstate Actors, Multinational Corporations, and Human Rights Sanctions," *Ethics & International Affairs* 12 (1998): esp. 25–27 on South Africa.

35. Matthew Evangelista, *Taming the Bear: Transnational Relations and the Demise of the Soviet Threat* (forthcoming, 1999) argues persuasively about the inability of the Soviet system to adapt; also the succinct argument and context in Thomas J. McCormick, "Troubled Triumphalism," *Diplomatic History* 21 (Summer 1997): esp. 488.

mind-boggling economic potential to investors, while China's military forces – judged by experts to be the most rapidly growing in the world – were too important to be ignored simply because of the crackdown on democratic-minded dissenters.

President Bill Clinton's administration continued to hold Bush's priorities. Although he promised in his 1992 election campaign to place human rights in China above economic access, by 1994–95 Clinton reversed course. While protesting human rights violations, the president no longer made an improving Chinese record on human rights the prerequisite for continued U.S. economic cooperation. Access to the burgeoning China market was too important, especially as Americans raced to keep up with competitors from Hong Kong, Japan, and Western Europe. These competitors by and large cared little about how China handled human rights. The justification for such a calculation was that an accessible, more pluralistic, increasingly capitalistic economy would lead gradually and peacefully to a more open, pluralist, and democratic political system. Logic and hope led to this conclusion.

CONCLUSION

The history of the American Century offered less evidence for such a conclusion. Democratic traditions and processes have to be present before economic and technological transformations if those political institutions are to mediate and moderate the resulting tensions. The major political victories for democracy in the American Century occurred in post-1945 Germany and, to a lesser degree, Japan, as well as in parts of Eastern Europe that broke free of Soviet domination. All these areas had some tradition of democratic processes: in Germany and Japan there were also occupation-instituted reforms. Even prior democratic transformation could sometimes be insufficient to stop the eruption of civil war from socioeconomic upheavals resulting from the application of new technologies. The Trilateral Commission's *Crisis of Democracy* even argued in 1975 that an "excess of democracy" could help lead to civil war – as in the United States itself when, according to Huntington, Jacksonian America was a cause of the Civil War and a kind of preview of how such "excess" could undermine the American Century.³⁶

Throughout the past century, great tension has thus existed between the American hope of making the world safe for democracy and Americans' determination to make the world open for their particular types of economic enterprise. They have repeatedly resolved the tension by ignoring or rationalizing away their Wilsonian urges so they could maximize the reach of an economic system that, as Henry Luce candidly phrased it in 1941, must, for example, make Asia worth many billions of dollars of profit each year, "or else confess a pitiful impotence." For, Luce argued, "America is responsible, to herself as well as to history, for the world environment in which she lives." Since

36. Crozier et al., *The Crisis of Democracy*, 113–15.

Americans have a system that is dependent on that “environment,” it followed that Franklin D. “Roosevelt must succeed where Wilson has failed.”

If Roosevelt and his successors indeed succeeded, in Luce’s terms, it was because they figured out how to create a government-private sector coalition to support the indispensable internationalization of the nation’s economic system, while controlling democratic and isolationist impulses at home (especially with the Truman Doctrine), and not giving priority to spreading potentially destabilizing democratic reforms abroad. Democracy and attempts to expand democracy are by nature expensive, wasteful, and, as John Kennedy found with the Alliance for Progress, most disorderly. The Great Society’s programs of the 1960s were rolled back not only by the Reagan agenda of the 1980s and 1990s but by the discipline thought to be necessary to balance budgets, free up capital, and open trade so Americans could better compete in the globalization process triggered by the new information technology. The nation’s wealth soared as the system became more internationalized—and as voter participation continued its post-1896 decline, public faith in the world’s leading democratic government dropped, and for the first time since the 1930s the gap between the well off and the poor dangerously widened.³⁷

The success of capital has been the reason why the twentieth and probably twenty-first centuries can be characterized as American. The gravest danger to the American Century occurred in the 1930s when that capital self-destructed. The New Deal and the Truman Cold War policies put the U.S. capital system back together in new forms. The system’s post-1970s globalization phase has not been a warm friend of democracy in terms of either its effects on Americans whose incomes have dropped relative to those of the wealthiest Americans, or its weakening of local cultures at home and overseas. The market has worked its wonders, as Henry Luce hoped, but the prerequisites of democracy have not then automatically advanced.

Policies shaped by the desire to create democratic systems in foreign lands formed the exception rather than the rule in post-1900 U.S. diplomacy. When explicitly pro-democratic policies were advanced, the cost involved was usually perceived to be slight. When the cost promised to be high, as in Latin America during the 1960s or China in the 1980–1990s, the push stopped. The American Century was and is many things, but it has especially been a century shaped by U.S. policies demanding that the world be made safe and assessable for the American economic system.

37. Many observers have warned that globalization threatens democracy. A good brief analysis is David Held, “Democracy,” in *The Oxford Companion to the Politics of the World*, ed. Joel Krieger (New York, 1993), esp. 224, which also has a good bibliography; Uri Bronfenbrenner et al., *The State of Americans; This Generation and the Next* (New York, 1996), esp. chaps. 3 and 5, is excellent on the social and economic effects of post-1970s changes.